

(5) LOAN DOCUMENTATION FOR DEVELOPMENT LOANS SHALL CONTAIN:

(I) A PRELIMINARY DEVELOPMENT PLAN THAT IS SATISFACTORY TO THE ASSOCIATION; AND

(II) A PROJECTION THAT NOT LESS THAN THE INVESTMENT IN THE LOAN WILL BE RECOVERED.

(6) THE RECOGNITION OF INCOME AND THE AMORTIZATION METHOD USED BY THE ASSOCIATION ORIGINATING THE LOANS SHALL BE IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

(7) (I) THE TOTAL AMOUNT OF LOANS FOR ACQUISITION, DEVELOPMENT OR CONSTRUCTION CANNOT EXCEED 10 PERCENT OF THE ASSETS OF THE ASSOCIATION.

(II) LOANS TO ONE BORROWER MADE UNDER THIS SUBSECTION FOR ANY ONE DEVELOPMENT PROJECT MAY NOT EXCEED 50 PERCENT OF AN ASSOCIATION'S NET WORTH OR 2 PERCENT OF ITS ASSETS, WHICHEVER IS LESS.

(F) NOTHING IN THIS SECTION MAY BE CONSTRUED TO AFFECT THE VALIDITY OF ANY LOANS MADE BEFORE JUNE 1, 1986 BY ANY SAVINGS AND LOAN ASSOCIATION IN ACCORDANCE WITH THE PROVISIONS OF LAW RELATING TO LOANS BY SAVINGS AND LOAN ASSOCIATIONS IN EFFECT BEFORE JUNE 1, 1986.

9-421. Alternative mortgage instruments.

(a) Alternative mortgage instruments authorized.

In accordance with the regulations of the [Board of Commissioners] DIVISION DIRECTOR, a savings and loan association may permit borrowers to repay indebtedness on a loan by any method of repayment or plan, including a plan or repayment of indebtedness on a loan that is other than a direct monthly reduction of principal plan that has a fixed interest rate, level payments, and full amortization.

(b) Disclosure to borrower.

If a savings and loan association offers any alternative mortgage instrument on an owner-occupied residential loan in addition to a standard direct monthly reduction of principal plan, as required by the [Board of Commissioners] DIVISION DIRECTOR, the association shall give each prospective borrower information on the alternative plan and the standard plan.

9-422. Title to investments.

A savings and loan association shall take title to all its investments in its own name.

9-423. Right to hold investments.